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Proposing Documentation Requirements for Toothfish Imports

Report Categories:

Agriculture in the News

Fishery Products

Trade Policy Monitoring

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Report Highlights:

The Hong Kong government (HKG) is considering legislation that would increase documentation required for the importation of toothfish. As the U.S. has minimal toothfish exports to Hong Kong and U.S. exporters are already required to supply these documents by regulation, the impact on U.S. exports is expected to be negligible. No legislative timeframe has been established by the Hong Kong government.

Background

To come into compliance with The Convention on the Conservation of Antarctic Marine Living Resources (CCAMLR), Hong Kong must introduce legislation that regulates the trading of toothfish consistent with the Catch Documentation Scheme (CDS) adopted by the Convention's Commission.

Toothfish includes fin fish, molluscs, crustaceans and all other species of living organisms found south of the Antarctic Convergence. Common examples found in Hong Kong include Chilean white seabass, white seabass and white cod. According to the Commission's statistics, Hong Kong imported 1,017 MT of toothfish or 6.5 percent of the volume exported by contracting parties in 2013. Prior to 2009, trade volume was 3 percent of the total exported by contracting parties but trade has shown a consistent upward trend to 13 percent in 2012.

The Proposed Legislation

Under the purview of the Hong Kong Agriculture, Fisheries and Conservation Department, the proposed controls would include the following key elements:

- prohibit the landing, importation or transshipment of toothfish without catch documents;
- prohibit the export or re-export of toothfish without valid documents;
- empower the enforcement agency to obtain relevant information to validate export/re-export documents for toothfish, search vessels, inspect, seize or confiscate consignments without valid catch or export/re-export documents, and dispose of the confiscated items;
- require fishing vessels carrying Antarctic marine living resources to provide advance notice of entry into Hong Kong, and conduct inspections on these vessels;
- request verification of Vessel Monitoring Systems (VMS) reports of fishing vessels engaged in fishing in the Convention Area;
- issue and validate catch and export/re-export documents for toothfish;
- deny port access to illegal, unreported and unregulated (IUU) fishing vessels and prohibit supplies to these fishing vessels;
- communicate the information regarding fishing vessels suspected to be engaged in IUU activities and CDS related information to relevant overseas authorities e.g. the Commission Secretariat and the contracting parties; and
- provide the enforcement agency other powers for carrying out their duties effectively, e.g. to stop, search and detain vessels and persons in connection with contravention of the legislation.

Time Frame

The Hong Kong government has not established a timeline for the introduction of the new legislation but expectations are that the earliest might be during the next legislative year that starts in October 2015. The Convention will be extended to Hong Kong upon the enactment of the new ordinance.

Impact

Neither the trade nor the government expects the proposed regulation to pose any significant trade impact. Once the legislation has passed, however, suppliers should expect Hong Kong importers to ask for documents verifying that the shipments are not associated with illegal, unreported and unregulated (IUU) fishing. These documents will be in line with the Convention's "Catch Documentation Scheme." The Hong Kong government estimated that about ten major importers are engaged in toothfish trading in Hong Kong. However, the government does not have any figures as to how many of them are sourcing from countries where the Convention has not been implemented. Importers in the future will not be able to source from these countries because of the lack of valid documents.

Hong Kong has a limited market for toothfish due to high prices so imports are often re-exported to China for consumption or further processing. According to the trade, the U.S. rarely supplies toothfish to Hong Kong. A brief interview with traders indicated that the most affected toothfish in Hong Kong will likely be seabass which are primarily sourced from France and Chile. There are only a few large importers engaged in seabass trading and these major importers already source from reliable packers who are able to provide Catch Documents or Marine Stewardship Council (MSC) certificates for shipments. Though the MSC certificates are different from those required by the "Catch Documentation Scheme," suppliers from contracting members of the Convention already possess valid documents to export products originating from Convention members. Hence, Hong Kong's major traders do not foresee any major impact on trade when the proposed regulation comes into force.